SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

09/20/2002

CLERK OF THE COURT
Form V000A

HON. ROBERT D. MYERS

N. Greene
Deputy

CV 2001-013304

FILED: 09/25/2002

TRICITY BEHAVIORAL HEALTH SERVICES INC

FRANK L. MURRAY

v.

STATE OF ARIZONA DEPARTMENT OF HEALTH SERVICES, et al.

ROBERT J. SORCE

LOGAN T. JOHNSTON

*Judicial Review of Administrative Decision*

Plaintiff, TriCity Behavioral Services, Inc. ("TriCity"), requests review of the June 28, 2001 decision of Phyllis Biedess, Director of the Arizona Health Care Cost Containment System ("AHCCCS"). The decision of which Plaintiff seeks review follows a series of administrative and judicial hearings determining whether TriCity, AHCCCS, or Arizona Department of Health Services ("ADHS") bore

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responsibility for coinsurance and deductible debts of indigent mental health patients. The unchallenged amount of the debts, spanning a four-year period, totaling $1, 055,374.00. Director Biedess found, in part, that TriCity failed to comply with the time limitations for appeal set forth in A.R.S. § 36-2904 (H) and 36-2903.01 (B) (4).

Plaintiff seeks reversal of the Director's decision on several grounds. Principally, Plaintiff argues that the time-bar statutes are not applicable. It further argues that the State should be estopped from continuing to refrain from reimbursing to Plaintiff the coinsurance debts, since Plaintiff detrimentally relied on good-faith promises from Defendants that they were not the proper party from which to seek reimbursement.

Preliminary, the Court notes that when an administrative decision is reviewed, the Court must decide whether the administrative action was illegal, arbitrary, capricious, or involved an abuse of discretion. See Berenter v. Gallinger, 173 Ariz. 75, 839 P. 2d 1120 (App. 1992).

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Based on the Court's review of the decision of Director Biedess and the pleadings submitted by the parties, the Court finds no reversible error.

The Director first noted that, based on Judge Bolton's March 12, 2000 order, AHCCCS bore no responsibility for the unpaid debts. The decision next reviewed the chronology of the proceedings as they pertained to ADHS. For example, the Director noted Plaintiff's untimely submission to ADHS on April 13, 2000. She reasoned that Plaintiff could have appealed to ADHS the earlier blanket denial letter it received from ComCare. Furthermore, the Director determined that, pursuant to A.R.S. 36-2904 (H), Plaintiff was required to timely and properly submit its claims to ADHS within 12 months of each respective date of service, and that Plaintiff had not demonstrated compliance by a preponderance of the evidence.

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Finally, the Director reasoned that Plaintiff had not demonstrated a claim of estoppel by a preponderance of the evidence. The director noted that Plaintiff's actions were conducted on reliance of hired counsel and experts, and not the wrongful conduct of ADHS.

For the aforementioned reasons, Plaintiff's appeal is denied.

**IT IS FURTHER ORDERED** that the requirements of Rule 58 (d) are waived out of necessity, on the part of the Court, to shorten the administrative time involved in the processing of a separate written order and to conserve Judicial resources. This minute entry is accordingly signed as a Formal Written Order of the Court.

/S/Honorable Robert D. Myers

HONORABLE ROBERT D. MYERS
JUDICIAL OFFICER OF THE SUPERIOR COURT